



NOVEMBER 6, 2017

PROJECT NO: 16-102  
VIA US MAIL

**CERTIFIED MAIL NO. 7014 2120 0004 4720 5302**  
**RETURN RECEIPT REQUESTED**

Mr. Donald G. Frankel  
Senior Counsel  
Environmental Enforcement Section  
Department of Justice  
One Gateway Center  
Suite 616  
Newton, MA 02458

**CERTIFIED MAIL NO. 7014 2120 0004 4720 5319**  
**RETURN RECEIPT REQUESTED**

Claude Walker, ESQ.  
Attorney General  
Department of Justice  
Office of the Attorney General  
334-38 Kronprindsens Gade  
GERS Building, 2nd Floor  
St. Thomas, Virgin Islands 00802

**CERTIFIED MAIL NO. 7016 1970 0000 0401 4093**  
**RETURN RECEIPT REQUESTED**

Ms. Carol Stein  
U.S. Environmental Protection Agency – Region 2  
290 Broadway  
New York, NY 10007-1866

**RE: Hurricane Maria Impact**  
**Bankruptcy Case No. 1: 15-bk-10003-MFW; EPA ID No. VID980536080**

Dear Mr. Frankel, Mr. Walker, Ms. Stein:

St. Croix was affected by Major Hurricane Maria on September 19 and 20, 2017. When the center of the storm was closest to St. Croix – approximately 15 miles from the island – the maximum sustained winds were approximately 165 mph and the pressure was approximately 910 mb which classifies Hurricane Maria as a Category 5 storm on the Saffir-Simpson scale. The outer eyewall of Hurricane Maria passed over the southwestern portion of St. Croix.

Damage on the island was extensive. Despite changes to the building codes after Hurricanes Hugo and Marilyn devastated the island in 1989 and 1995, respectively, many structures on St. Croix sustained damage from Hurricane Maria. To date, communications on the island have not been fully restored and approximately eighty-one percent of the island remains without electrical power from the Virgin Islands Water and Power Authority (WAPA). An island-wide curfew was implemented on September 19 and was lifted on October 30.

The HOVENSA Environmental Response Trust (ERT) sustained extensive losses from Hurricane Maria. A preliminary assessment of the former HOVENSA, L.L.C. Site (the "Site") was completed by

## HOVENSA Environmental Response Trust

Mr. Frankel, Mr. Walker, Ms. Stein  
US DOJ, VI AG, US EPA

November 6, 2017  
Page 2

Carey Guilbeau, the onsite Trust Representative, on September 20 and details of that assessment were relayed to me via satellite phone. That initial assessment was subsequently relayed via e-mail to EPA and nearly daily updates on assessment and recovery have been provided to EPA.

Initial efforts not only included assessment of ERT assets but also included contact with each of the full-time onsite Contractors. It took until Friday, September 22 to make contact with all ERT Contractors. The beginning phase of recovery required considerable effort to ensure all eight onsite ERT Contractors were supplied with the basic needs of drinking water, food, fuel and shelter which allowed them to report to work and assist in the detailed assessment of the Site.

Since September 20, virtually all efforts at the Site have been focused on hurricane recovery and those recovery efforts are projected to continue into 2018. Though substantial work remains, the ERT has successfully completed detailed assessments, returned sixty-three percent of the recovery well system to operation, completed the removal of all Hurricane Maria storm water from Landfarms 2 & 3 and relocated a damaged office.

Remaining work includes completing pending repairs on the recovery well system, repairing observation well risers, replacing missing signs and labels across the Site, repair and replacement of fencing, replacement of the damaged connex containers used to store tools and materials, sourcing and replacing the damaged tools and materials, repairing and replacing damaged light duty vehicles and repairing damaged heavy equipment.

As you know, there was no hurricane damage contingency (or any other type of contingency) built into the Wind-Down Budget. Additionally, Section 3.2 of the February 17, 2016 ERT Agreement specifies the Trustee shall not exceed any approved budget amount by more than ten percent without obtaining approval in accordance with section 7.13 of the ERT Agreement. Table 1, attached, provides the estimated cost of recovery from Hurricane Maria and specifies the portion of that estimate which is above the 2017 budget.<sup>1</sup> In order to complete the remaining recovery efforts and fully return to routine operations, we respectfully request written approval of the budget from each Agency as soon as possible. For your convenience, Table 1 specifies which line item each Agency is required to approve as per section 7.13 of the ERT Agreement. The ERT proposes that all expenditures related to the unbudgeted Hurricane Maria recovery be drawn from the ERT account (i.e., not from the RCRA Financial Assurance nor the Limetree \$30MM funding sources).

The ERT is seeking insurance claims for all of the light duty vehicles and heavy equipment owned by the ERT and is also working with Limetree Bay Terminals, LLC (Limetree) on a possible claim for the ERT's connex containers and contents that were damaged when one of Limetree's assets fell on the connex containers. The ERT is exploring additional avenues to fill the funding gap created by Hurricane Maria including FEMA grants and EPA grants. At this time it is unknown how much, if any, funds will be available as a result of the insurance claims or any possible grants and, as such, Table 1 does not reflect these possible sources of funding. The ERT Agreement specifies that upon its final dissolution, reorganized HOVENSA's remaining assets will transfer to the ERT. The ERT reached out to reorganized HOVENSA and was able to secure an early transfer of one million dollars which

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<sup>1</sup> The ERT's 2017 budget was approved, in writing, by the US Department of Justice on May 5, 2017 and by the US Environmental Protection Agency on July 10, 2017. Approval from the VI Department of Planning and Natural Resources and the VI Attorney General is pending.

## HOVENSA Environmental Response Trust

Mr. Frankel, Mr. Walker, Ms. Stein  
US DOJ, VI AG, US EPA

November 6, 2017  
Page 3

provides adequate cash flow for the ERT to move forward with recovery efforts such as fencing repairs, vehicle repairs and replacement and warehouse replacement as soon as Agency approval is provided.

The ERT has identified several cost saving measures that can be immediately implemented and those measures are captured in Table 1. For instance, the ERT is reducing the fleet of light duty vehicles by two vehicles and as a result the ERT will not incur replacement costs for these vehicles.

The ERT wishes to discuss other potential cost savings measures with the EPA, specifically options for fencing around the Recycle Yard and Estate Pearl. Fencing for both of these areas is estimated to cost more than two hundred and sixty-five thousand dollars. The ERT is available immediately for discussion.

Thank you very much for your expeditious review and approval of the budget for Hurricane Maria recovery efforts. We are eager to move forward on the remaining recovery work. If additional information is required, please contact Carey Guilbeau at (340) 692-3179.

Sincerely,



Roberto Puga, P.G.

Principal of Project Navigator Ltd., solely in its capacity as Trustee for the HOVENSA Environmental Response Trust

Enclosure

cc: Mr. Nidal Azzam, EPA Region 2  
Ms. Amy Chester, EPA Region 2  
Mr. William Sawyer, EPA Region 2  
Ms. Flaire Mills, EPA Region 2  
Mr. Jim Casey, EPA Region 2  
Mr. Norman Williams, VIDPNR  
Ms. Mary Koks, Munsch Hardt Kopf & Harr  
Mr. David Bennett, GES

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**HOVENSA Environmental Response Trust**

Mr. Frankel, Mr. Walker, Ms. Stein  
US DOJ, VI AG, US EPA

November 6, 2017  
Page 4

Chief, Special Projects Branch  
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EPA Region 2  
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Chief, Waste and Toxic Substances Branch  
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EPA Region 2  
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Chief, Hazardous Waste Programs Branch  
Clean Air and Sustainability Division  
EPA Region 2  
290 Broadway  
New York, NY 10007

Dawn L. Henry, Esq.  
45 Mars Hill  
Frederiksted, Virgin Islands 00840

**Table 1.**  
**HOVENSA Environmental Response Trust**  
**Hurricane Maria Recovery Assessment**  
**September 2017**

(A)	(B)	(C)	(D)	(E)	(F)	(G) = (E) - (F)
Approval Authority	ERT Account	ERT Agreement Wind Down Estimate Line Items		Total Estimated Hurricane Maria Recovery Cost	Expenditures Included in Routine Budget	Additional Budget
EPA	Remediation	1	PRPP - OWS Testing & Repair	\$ 3,688	\$ 3,688	\$ -
EPA	Remediation	2	Scrap Metal / Recycle Yard Management	\$ 74,803	\$ -	\$ 74,803
EPA	Remediation	3	Asbestos Landfill	\$ 35,629	\$ -	\$ 35,629
EPA	Remediation	4	Corrective Action / Remediation / Hydrocarbon Recovery	\$ 414,120	\$ 67,200	\$ 346,920
EPA	Remediation	5	Landfarm 1 Post-Closure	\$ 68,490	\$ 1,000	\$ 67,490
EPA	Remediation	6	Landfarm 2 & 3 / RCRA Permit	\$ 119,580	\$ 53,000	\$ 66,580
DPNR	Remediation	7	TPDES	\$ -	\$ -	\$ -
EPA	Remediation	8	WWT (Primary & Secondary)	\$ 43,750	\$ 43,750	\$ -
US DOJ/VI AG	Administrative	9	Data & Records Management & Retention	\$ -	\$ -	\$ -
DPNR	Remediation	10a	Consent Decree - VI TSEP <sup>2</sup>	\$ -	\$ -	\$ -
EPA		10b	Consent Decree - WAPA Project <sup>2</sup>	\$ -	\$ -	\$ -
DPNR	Remediation	a	Air Permitting / Title V	\$ -	\$ -	\$ -
EPA	Remediation	Lines 12 - 24	Tier II, TRI / EI, TSCA, BWON, GHGs, CEMs, Boiler MACT, LDAR, Refinery MACTs, Regional Haze, SO2 non-attainment, SOCMI-HON, Tank Requirements	\$ -	\$ -	\$ -
EPA / DPNR	Remediation	Line 25	Potable Water / SDWA	\$ -	\$ -	\$ -
US DOJ/VI AG	Administrative	26	Utilities: Electric	\$ -	\$ -	\$ -
US DOJ/VI AG	Administrative	27	Utilities: Compressed Air & Water	\$ 1,042	\$ 1,042	\$ -
US DOJ/VI AG	Administrative	28	Security	\$ 194,458	\$ -	\$ 194,458
US DOJ/VI AG	Administrative	29	Business Operating Expenses	\$ 62,885	\$ -	\$ 62,885
DPNR	Remediation	30	PLL Insurance Premium	\$ -	\$ -	\$ -
US DOJ/VI AG	Administrative	31	Fees for Trust and Trustee	\$ 3,000	\$ -	\$ 3,000
DPNR	Remediation	N/A	Marine Impact Study	\$ -	\$ -	\$ -
Estimated Total				\$ 1,021,444	\$ 169,680	\$ 851,765

**Notes:**  
 \* Column G is the amount of additional budget the ERT is seeking approval for. This estimated additional budget is required to complete the clean-up and recovery tasks resulting from Hurricane Maria.  
 \* All Hurricane Maria related expenses will settle to the ERT account (i.e. the ERT "bucket").

ATTACHMENT 1

HURRICANE MARIA ASSESSMENT  
SEPTEMBER 20, 2017

1) 2010 Ford E-350 Passenger Van, VIN 1FBNE3BL2ADA31507



All passenger side windows were blown out



Second window on driver's side was blown out



2) 2012 Ford F-250 Super Duty Truck, VIN 1FD7W2A63CEA14733



All passenger side windows were blown out



Rear window was blown out



Paint on front passenger door was "sandblasted" off



Paint on front quarter panel and hood was "sandblasted" off

3) 2010 Ford Ranger, VIN 1FTKR1AD5APA69717



Rear window was blown out



4) 2010 Ford F150, VIN 1FTEX1CW7AKE68305



Passenger side front window was blown out



Entire passenger side of vehicle sustained paint damage

5) 2008 Ford Ranger, VIN 1FTYR10D78PA01344



Rear tailgate and tail lights missing



6) Case Backhoe



Damage to the Backhoe Includes a Blown-Out Front Windshield

7) One of Limetree's Refinery Assets (Flare 4) Fell and Crushed Connex Containers Used to Store ERT Tools and Materials



View from Southeast



View from Northeast





View from North





Damaged Contents of the Connex Containers, i.e. the ERT "Warehouse"





Damaged Contents of the Connex Containers, i.e. the ERT "Warehouse"





Damaged Contents of the Connex Containers, i.e. the ERT "Warehouse"

8) Damage to one of the ERT offices



Top Left: Exterior Damage

Top Right: Damaged Meeting Room

Bottom Left: ERT Office Located on the third floor (i.e. not the top floor) with missing ceiling and missing top section of wall (i.e. where daylight is coming in)

9) Landfarm 1 Fence Damage





East Side of Landfarm 1



South Side of Landfarm 1







West Side of Landfarm 1



North Side of Landfarm 1



## 10) Recycle Yard Fence Damage



Eastern Fence at Recycle Yard



Southeastern Corner of Recycle Yard



Southern Side of Recycle Yard



## 11) Asbestos Landfill Fence Damage



Northern Side of Asbestos Landfill Fence



## 12) Estate Pearl Fence Damage



Multiple Sections of the Fence Around Estate Pearl are on the Ground Creating Access from the Public Road into Estate Pearl